GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:682
ANSWERED ON:26.02.2016
Mutilated Currency Notes
Sanjar Shri Alok

Will the Minister of FINANCE be pleased to state:

(a) whether mutilated currency notes are in circulation in at large scale in the country;
(b) if so, the details thereof along with the action taken by the Reserve Bank of India (RBI) to handle circulation of such currency notes in the country;
(c) whether any awareness campaign has been launched by RBI in this regard;
(d) whether RBI proposes to print/mint plastic currency notes to replace paper currency notes; and
(e) if so, the details thereof?

Answer

MINISTER OF STATE FOR FINANCE
(SHRI JAYANT SINHA)
(a) & (b): Reserve Bank of India (RBI) has intimated that the number of mutilated currency notes in circulation may not be large. RBI withdraws soiled and mutilated notes from circulation and puts adequate quantity of fresh notes into circulation on an ongoing basis. During the last three years, a total 46.63 mpcs of mutilated/ defective notes were adjudicated by RBI and bank branches and taken out of circulation.

Further, RBI has delegated powers to all branches of banks for providing facility of exchange of soiled/ mutilated notes at all their branches to all the members of public.

(c): (i) RBI has advised all the bank branches to display at their branch premises at prominent place, a board indicating the availability of notes exchange facility for information of general public.
(ii) RBI from time to time issue instructions to banks to organize exchange melas to mop up soiled and mutilated banknotes from circulation.
(iii) RBI periodically issues Press Releases appealing to the members of public not to inscribe anything on banknotes as it damages the notes and poses difficulty in identifying the features of genuine banknotes.

(d) & (e): In order to increase the life of banknotes, it has been decided to conduct a field trial with plastic banknotes at five locations of the country. Approval for procurement of plastic substrate and printing of bank notes of Rs.10 denomination on plastic banknote substrates has been conveyed to RBI.

****